

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Mail Processing Network  
Rationalization Service Changes, 2012

Docket No. N2012-1

PRESIDING OFFICER'S INFORMATION REQUEST NO. 10

(Issued June 21, 2012)

The Postal Service is requested to respond to the following questions to clarify the record on its request for an advisory opinion under 39 U.S.C. 3661(c) regarding the Mail Processing Network Rationalization Service Changes, 2012 (MPNR).<sup>1</sup> Responses shall be provided no later than June 28, 2012.

At the June 7, 2012 hearing, Chairman Goldway stated that after reviewing the transcripts the Commission may have follow-up questions. The following questions relate to areas where witness Rosenberg was unable to provide a full explanation.

1. Chairman Goldway asked witness Rosenberg how several adjustment factors were developed in Excel file 'SavingsEstimate\_IntraSCF\_', tab: 'Costing'. Tr. 9/2087-88. Please explain how the following adjustment factors were developed and provide the supporting workpapers:
  - a. Productivity Gains, 35.0 percent;
  - b. Air Transportation, 51.4 percent;

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<sup>1</sup> Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services, December 5, 2011 (Request).

- c. Plant-to-Plant HCR Network Restructuring, 10.0 percent; and
  - d. Maintenance Labor and Parts and Supplies, 75.2 percent.
- 2. Commissioner Taub asked witness Rosenberg about a footnote on page 31192 of the *Federal Register* notice contained in Library Reference USPS-LR-N2012-1/99. Tr. 9/2766-67. That footnote (footnote four) states, “One reason for the estimate’s conservatism is that the underlying calculations hew to PRC methodologies, some of which incorporate assumptions that are in the Postal Service’s view unrealistic.” Please identify and describe the assumptions that this footnote refers to and explain why the Postal Service views them as unrealistic.
- 3. Commissioner Taub asked witness Rosenberg about when the post implementation reviews (PIRs) will be performed for the two phases of consolidations. Tr. 9/2768-69. Please provide the expected timelines for the PIR process for each phase of consolidations occurring within the indicated timeframes.
  - a. Phase One consolidations of approximately 48 facilities beginning on July 1, 2012 and scheduled for completion by August 31, 2012;
  - b. Phase One consolidations of approximately 92 facilities beginning on January 1, 2013 and scheduled for completion by January 31, 2014; and
  - c. Phase Two consolidations of approximately 89 facilities beginning on February 1, 2014 and scheduled for completion sometime in 2014.

Ruth Y. Goldway  
Presiding Officer